

**TOY DISTRICT/DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
AUGUST 18, 2008
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Larry Rauch, Don Steier (for Don Kanner) and Paul Vert.

Absent: Monica Garcia (for Richard Mereulo), Richard Gardner, Donald Kanner, Howard Klein, Matt Klein, Thomas Payne, Mark Shinbane, Michael Tansey and Charlie Woo.

STAFF: Raquel King, Estela Lopez, Vicky McCormick and Jessica Whaley.

CONSULTANTS: Ken Coelho and Steve Gibson (Urban Place Consulting).

GUESTS: Roger Cowan (443 S. San Pedro)

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 9:10am.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

III. APPROVAL OF MINUTES

Rauch made a motion to approve the July 22, 2008 minutes, and Doizaki seconded. The Board unanimously approved.

IV. FINANCE

Coelho reported that in July, DID received \$36,000 in additional revenue plus \$3,000 in penalties and interests. Coelho reported that DID is caught up on the security contract; with only three weeks of invoices due for the month of July.

Coelho informed the Board that the year-end cash projection for DID is \$125,000. Coelho added that reallocations with the Toy District will bring the year-end total down a bit.

Coelho reported that the Toy District received \$68,000 in assessment revenue; \$1,600 in penalties and interests. Toy is \$7,500 under budget in expenses mostly due to less than a month being paid on the maintenance contract. The current projection indicates a \$26,000 deficit at year-end in Toy, however, the balance will be brought down to zero after the reallocations from DID.

V. RENEWAL

Lopez introduced Jessica Whaley, who will be working at CCEA part-time to assist with BID renewal.

Gibson recapped that the renewal 2010 budget would be increased by \$50,000; \$10,000 in economic development and \$40,000 in safe and clean. The overall percentage allocation will be: 76% safe and clean; 4% economic development; 15% advocacy and administration; 5% contingency. Gibson then stated that the district will be divided into two zones, as it is today.

Gibson asked the board if they would support a methodology that assesses 85% lot and 15% building, or 90% lot and 10% building with a ½% increase on building square footage annually, which equals 15% at the end of the 10-year term.

Vert stated that the budget increase from 2009 to 2010 is significant. Vert expressed that the increase needs to be explained to the property owners.

Lopez responded that she will inform the property owners that the BID is proposing a 10-year term BID and within that 10-years, equipment will have to be replaced several times over; A new trash compactor truck will be purchased which will reduce trash hauling fees; A data capturing system will be purchased which

will allow the BID to obtain and maintain operational statistics, mapping and trends throughout the district which will assist in the BID's crime prevention and deterrence efforts. Lopez also mentioned that security personnel costs continue to rise, and within the next few years some categories of security professionals will undoubtedly be unionized, placing greater pressures on all BIDs to recruit and maintained a professional level of security personnel.

Gibson stated that the Board determines the annual percentage rate increase, capped at 5%. Non-profit parcels will pay 15% pf their normal assessment, with a ½% increase annually (if approved by the City).

The Board agreed to an assessment methodology of 90% lot and 10% building with a ½% increase on building square footage annually over 10 years.

Gibson informed the Board that the management district plan and the engineer's report will be sent to the City at the end of September, allowing for the Board to refine and review the plan once more at the September meeting.

VI. OPERATIONS

Maintenance:

McCormick reported that the amount of bulky items collected in July decreased from prior months. In DID the number of trash bags collected increased in July due to the increased number of people on the streets. McCormick reported that graffiti decreased in July.

McCormick reported that from January 2008 to July 2008 19,633 bags of trash have been collected in the Toy District, a large portion of that coming from the merchants who place their trash on the sidewalks as they depart at night.

Security:

McCormick reported that in July DID's public safety teams increased their public relations efforts by assisting the public with directional needs, as well as employees in the area and business/property owners.

McCormick informed the Board that in July loitering and health and welfare checks increased in DID due to the increased number of people on the streets. The number of milk crates and shopping carts increased in July. BID public safety officers asked individuals where they obtained the crates and carts, and the answer was from recycling centers and grocery stores miles away from Downtown Los Angeles. McCormick also discovered that some of the merchants provide the milk crates.

In July, illegal vending increased in the Toy District.

Lopez informed the Board that she met with LAPD Captain Jody Wakefield to discuss the next steps for the Safer Cities Initiative, which will be 2-years old in September. Captain Wakefield informed her that the homeless count had increased to 900 people, and that resource issues continue to be a problem in Central Area. LAPD dedicated 14 officers to L.A. Live, which does not affect SCI, but underscores the problem of insufficient police resources in Central Area to meet the growing need.

Lopez also informed the Board that she obtained an exemption from the DWP's new "drought-buster" enforcement (restrictions against washing sidewalks) for the skid row area due to the health issues present in the District.

VII. LEGISLATIVE UPDATE

Councilman Jose Huizar:

Lopez informed the Board that she recently met with the Councilman and briefed him on the priority issues within the District as the BID moves forward with renewal. She also expressed that with other BIDs facing renewal difficulties, the stakes are high for all BID renewals during these tough economic times. The Councilman agreed to allocate an eighth of his

sidewalk budget to the repair of Industrial District sidewalks, and to support other infrastructure repair efforts, such as Alameda St. (below).

Infrastructure Improvements:

Lopez reported that CCEA has received complaints from DID and Arts District property owners regarding the condition of the streets. Lopez stated that she sent a letter to the CRA stating that infrastructure improvement should be a priority in industrial areas. Alameda Street, in particular, is not up to truck standards. Lopez recently met with a consultant who can identify sources of public funding for the reconstruction of Alameda. Lopez submitted a request to the CRA for \$24,999 to pay for the study.

DASH:

Lopez informed the Board that the launch date for the new DASH route takes place September 4, 2008 at 10am at 3rd & Central Streets. Lopez reported that the new route will connect the Central City East with the Fashion & Flower districts. Buses will run every 20 minutes Monday thru Friday 6:30am to 6:30pm.

VII. EXECUTIVE SESSION

IX. NEW BUSINESS- None

X. ADJOURNMENT- The meeting of the Board was adjourned at 10:34am.